

# FISCAL NOTE

**Bill #:** SB 9 **Title:** Transfer \$10M FY 03 from coal tax trust fund to general fund

**Primary Sponsor:** John Cobb **Status:** As Introduced

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Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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## Fiscal Summary

	<u>FY2003 Difference</u>	<u>FY2004 Difference</u>	<u>FY2005 Difference</u>
<b>Revenue:</b>			
General Fund	\$9,440,000	(\$681,000)	(\$680,000)
<b>Net Impact on General Fund Balance:</b>	\$9,440,000	(\$681,000)	(\$680,000)

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<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
	X	Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget	X		Significant Long-Term Impacts
	X	Dedicated Revenue Form Attached	X		Family Impact Form Attached

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## Fiscal Analysis

### ASSUMPTIONS:

1. This bill would transfer \$10 million from the coal severance tax permanent fund to the general fund in fiscal 2003.
2. The balance in the coal severance tax permanent fund would be \$10 million lower for 10 months of fiscal 2003 and for all of following fiscal years.
3. The rate of return on the coal severance tax permanent fund will be 6.73% in fiscal 2003, 6.81% in fiscal 2004 and 6.80% in fiscal 2005.
4. This bill would reduce interest paid to the general fund by the coal severance tax permanent fund by \$0.560 million in fiscal 2003 (6.73% x \$10 million x 10/12), by \$0.681 million in fiscal 2004 and by \$0.680 million in fiscal 2005.

FISCAL IMPACT:

	FY2003 <u>Difference</u>	FY2004 <u>Difference</u>	FY2005 <u>Difference</u>
<u>Transfers:</u>			
General Fund (01)	\$10,000,000		
Trust Funds (09)			
Coal Severance Tax Permanent Fund	(\$10,000,000)		
<u>Revenues:</u>			
General Fund (01)	(\$560,000)	(\$681,000)	(\$680,000)
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>			
General Fund (01)	\$9,440,000	(\$681,000)	(\$680,000)

LONG-RANGE IMPACTS:

This bill would reduce general fund revenue in all future fiscal years. The amount of reduction in each future fiscal year would depend on the rate of return on the coal severance tax permanent fund.